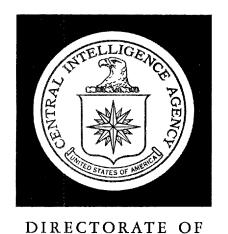
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INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

State Department review completed

NSA review completed

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Information as of 1600 28 December 1966

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HIGHLIGHTS

There is no change in the port strike situation in Saigon, although there are signs that labor leader Tran Quoc Buu's position is weakening. North Vietnamese and Viet Cong propaganda continues to extol the virtues of guerrilla warfare.

- I. The Military Situation in South Vietnam: An eight-battalion ARVN search-and-destroy operation has been initiated near the Viet Cong redoubt in the U Minh Forest in southern South Vietnam. (Paras. 1-4). Enemy losses for the 26 December engagement near Bong Son in coastal Binh Dinh Province now total 68 killed (Para. 5). American helicopters report sinking 174 Viet Cong sampans in the delta province of Long An (Para. 6).
- II. Political Developments in South Vietnam: There has been no change in the port strike situation in Saigon, although there are signs that the position of labor leader Tran Quoc Buu, who supports the principle of full US military control at New Port, is becoming weaker (Faras. 1-2).

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The GVN appears to be moving cautiously toward the gradual elimination of French-run schools in South Vietnam (Para. 4).

III. North Vietnamese Military Developments: There is nothing of significance to report.

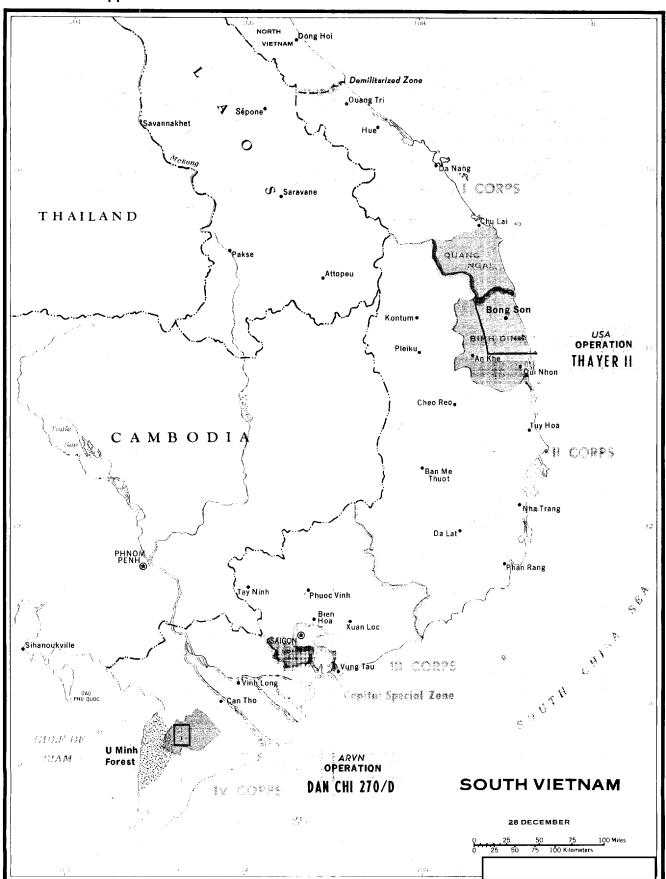
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- V. Communist Political Developments: Another article on guerrilla warfare has been written by Cum Long, a pseudonym for an unidentified North Vietnamese author (Paras. 1-2).
- VI. Other Major Aspects: Aerial photography has disclosed five major projects under way or completed to improve railroad facilities through and around the Hanoi area (Paras. 1-5).



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I. THE MILITARY SITUATION IN SOUTH VIETNAM

- 1. South Vietnamese forces initiated eight-battalion search-and-destroy Operation DAN CHI 270/D on 26 December in an area approximately 170 miles southwest of Saigon in the delta province of Chuong Thien. The operational area is on the fringes of the U Minh Forest area, a flat, low-lying delta region with numerous small streams and canals, dense marsh and mangrove swamps, and scattered open rice fields. Communist forces have operated freely within and from this area with little or no interference for a number of years.
- 2. Following an initial air bombardment of the drop zone, approximately 1,200 ARVN troops were para-dropped into the area. South Vietnamese infantry units and rangers are also participating in this operation.
- 3. Viet Cong forces traditionally operating within this area are the 303rd, 306th, and 309th battalions, the U Minh II and U Minh 10th local battalions and a large number of irregulars. In addition, there are logistics installations in the U Minh area.
- 4. Friendly losses reported thus far are four wounded (one US). Communist losses are reported to be as high as 89 killed. Some 50 weapons and a large quantity of assorted munitions were also captured. An arms-manufacturing facility was also reported destroyed by ARVN forces.
- 5. Elements of the US 1st Air Cavalry Division participating in search-and-destroy Operation THAYER II in coastal Binh Dinh Province reported finding 19 more enemy bodies in a site near the 26 December Bong Son battle. This raised to 68 the number of Communist troops killed in this engagement. American losses were 27 killed and 65 wounded.

6. On 26 and 27 December, US armed helicopters reported sinking 174 enemy sampans in the Mekong Delta waterways of Long An Province, approximately 17 miles south-southeast of Saigon. The sampans were reportedly transporting Viet Cong materiel. Some 74 sampans were reported sunk by the armed helicopters on 23 December in this same general area.

II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

- 1. The strike at the Saigon port goes on and no results have been reported from the labor negotiations. US troops continue to unload military cargo.
- 2. There have been indications that support for Tran Quoc Buu, president of the Vietnamese Confederation of Labor (CVT), may be eroding. Buu is the key union official who has recognized the principle of exclusive US military operation of New Port, where dismissal of temporary Vietnamese employees triggered the present strike. Public statements on 27 December by the president of the CVT's Saigon council, previously believed to be supporting Buu's stand, indicate that he is joining dissident union leaders in threatening to widen the strike. This could result in isolating Buu, or in forcing the latter to commit the CVT to the strike in an effort to salvage his own position.

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GVN Moving Cautiously in Eliminating French-run Schools

4. Commenting upon the recent recommendation of the advisory People's Army Council (PAC) for a gradual elimination of the French-run school system in South Vietnam, the US Embassy believes that the GVN is carefully handling this potentially explosive issue. The government appears to be investigating ramifications of taking over the French schools and to be avoiding precipitant action by such steps as consulting the PAC. The PAC has recommended renegotiation of the cultural agreement which permits France to operate the schools leading to closure of French primary schools by 1967-68 and a gradual transition in secondary schools. More than 26,000 pupils are involved, and hasty expulsion of French teachers and school administrators could result in a severe shortage of teaching personnel.

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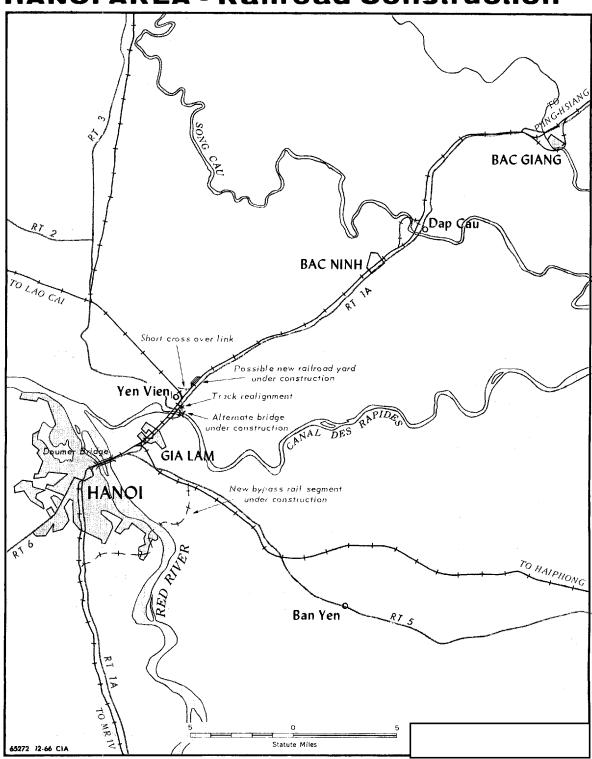
III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. There is nothing of significance to report.

V. COMMUNIST POLITICAL DEVELOPMENTS

- 1. Hanoi and Liberation Front propaganda continue to extol the virtues of guerrilla warfare. One of the latest of these tributes was broadcast by Radio Hanoi on 22 December. It was written under the pseudonym Cum Long, an unidentified author in South Vietnam who has written extensively on this subject in the past few months. Although the author made the customary obeisance to conventional tactics, he laid primary emphasis on the role of the guerrilla. He credited the guerrilla with more than a third of total US/GVN casualties. Cum Long also stressed the importance of the guerrillas in the battle for political control of the rural population.
- 2. In an unusual admission that Viet Conq forces do not always carry the day, Cum Long said that the "present struggle has a marked see-saw pattern." In giving the present southern Communist leadership a pat on the back, Cum Long claimed that the Viet Cong were not relying exclusively on the guerrilla warfare of the past but were using the superior "modern science of guerrilla warfare" combining "widely known experience of long standing with people's creativeness." "At present," he said, "guerrilla warfare is no longer waged with a few rudimentary weapons and booby traps as it was originally, but with many more improved ones." Cum Long's exalted claims for the capabilities of "modern" guerrilla warfare may be designed to help justify the new emphasis on smaller scale operations. Other recent articles in the Vietnamese Communist press indicate that the decision to re-emphasize guerrilla tactics met with considerable opposition from the members of the leadership who believe that large-scale offensive operations are necessary to defeat US forces in South Vietnam.

HANOI AREA - Railroad Construction



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VI. OTHER MAJOR ASPECTS

- 1. Analysis of aerial photography has revealed five major projects under way or completed to improve railroad facilities through and around the Hanoi area. One of these is located near the Yen Vien rail classification yard, the target of recent air strikes, where a new railroad yard appears to be under construction. This new yard was started prior to the raids on Yen Vien and is probably intended to provide for the dispersal of yard facilities in the area where the Hanoi Lao Cai and Hanoi Ping-hsiang rail lines meet before continuing to Hanoi proper on a common section of track.
- 2. A second project involves a short crossover link between these two major lines just north of their original junction. This link has been completed and now provides an alternate connection.
- 3. Between Yen Vien and Hanoi, construction of an alternate bridge over the Canal des Rapides is well along. The original 750-foot bridge is located on the section of line near Hanoi used by both the Hanoi Ping-hsiang and Hanoi Lao Cai lines. Destruction of this bridge before completion of the alternate would cut traffic between Hanoi and both rail lines to China.
- 4. Also in this area, a section of track which contains two particularly sharp curves is being realigned. It is possible that this realignment, located on the bypass route around the Hanoi railroad bridge over the Canal des Rapides, is intended to facilitate the conversion of the southern half of the Hanoi Pinghsiang line to dual gauge. The northern section of this line from Kep to the Chinese border has already been converted to dual gauge by the addition of a third rail and other extensive improvements have been made since US air attacks began. Conversion of the southern half of this line, however, would involve a considerable amount of bridge modification work and would require a long period of time.

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5. To the southeast of Hanoi, a bypass which will enable traffic between Haiphong and Vinh to avoid Hanoi altogether is probably more than half completed. This bypass will enable supplies from the port of Haiphong to move toward the southern part of North Vietnam without being processed or delayed through Hanoi.

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